CEC Transmission Workshop

Transmission Problems in Load Pockets

California Energy Commission
2004 Integrated Energy Policy Report Update
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Risks of Power Supply Shortages Are Greater in Load Pockets

	Risks (Percent)		Maximum Deficits (MW)	
Transmission Zones	Baseline Scenario	High Load Scenario	Baseline Scenario	High Load Scenario
South CA	1.3	4.3	1,730	5,210
North CA	0	0	0	0
San Diego	7	17	3,030	3,540
San Francisco	13.7	11	230	210
IID	7.3	18.3	280	310
LADWP	0	0	0	0
SMUD	0	0	0	0
CCENT	0	0	0	0

Source: CEC 2002-2012 Electricity Outlook Report, page 45, Table 11-3-1, Shortage Risks and Maximum Deficits by Transmission Zone

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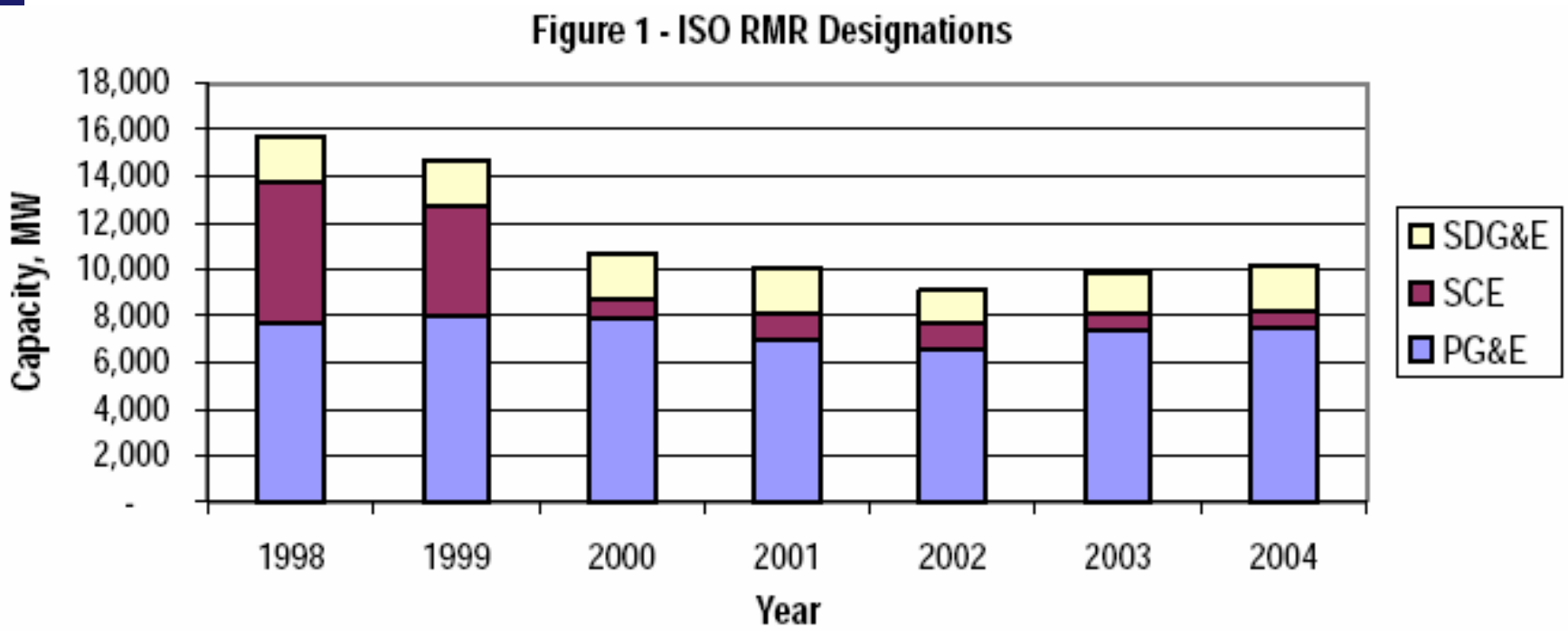
Reliability Must Run Requirements



Source: ISO Board memo of September 19, 2003, Management Recommendations for 2004 RMR Designations from the LARS Process

A Priority – Transmission for Load Pockets

- High priority needs to be place on determining proper level of transmission for load pockets
  - Load pocket reliability less than rest of grid, per CEC studies
  - No studies performed to justify continued reliance on local generation to economically meet reliability standards
  - Current annual PG&E RMR costs for the Greater Bay Area would justify about $1 billion in new transmission investment

Load Pockets Solutions

- More transmission or economic generation needed in load pockets
  - Need assessments by CPUC has delayed or deferred some needed projects- not sufficient to just correct that
  - Accountability for certifying that current level of transmission is “economically reliable” or
  - Must be able to ensure that reinforcements will be made as soon as possible to reach that point of equilibrium

Transmission Vision

- Vision for the state
  - Short-term: Identify all load pocket transmission justified by RMR savings
  - Long-term: Complete a comprehensive comparison of generation vs transmission vs DSM